



Signed and Filed: June 19, 2008

Dennis Montali

DENNIS MONTALI
U.S. Bankruptcy Judge

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA

In re) Bankruptcy Case
PACIFIC EDUCATION FOUNDATION,) No. 08-30199DM
fka Heald Colleges; fka Heald) Chapter 11
Colleges; fka Heald College of)
California,)
Debtor.)

MEMORANDUM FOLLOWING STATUS CONFERENCE

On June 6, 2008, the court conducted a status conference on matters pertaining to the motion of 3D Investments, LLC ("3D") for relief from the automatic stay. 3D appeared and was represented by Alan Ramos, Esq. Debtor Pacific Education Foundation ("PEF") appeared and was represented by James E. Topinka, Esq. and David A. Honig, Esq.

The subject of the status conference was the status of the 3D-PEF arbitration pending before James F. Ventura, Esq. in Kailua, Hawaii. More particularly, by letter entered on May 27, 2008, the court granted limited relief from stay to 3D to inquire of Mr. Ventura concerning his jurisdiction and willingness to proceed with the subject arbitration. By e-mail of May 31, 2008, Mr. Ventura responded, stating in part, that "without further instruction or authority, I am unsure whether I have jurisdiction over remedies in the event of a breach." Thereafter, counsel for

1 3D and counsel for PEF communicated separately with Mr. Ventura.

2 At the present time the court is unable to determine whether
3 it would be appropriate to grant any further relief to 3D in
4 connection with the arbitration or to proceed with consideration
5 of objections PEF intends to file to 3D's proof of claim in this
6 bankruptcy case. To illuminate the court as appropriate and to
7 facilitate the parties' mutual desire to obtain a determination
8 from Mr. Ventura concerning the extent to which he could provide a
9 final resolution of the 3D-PEF dispute, the parties agreed on this
10 court's record to the following:

11 1. By this memorandum the court will communicate its and the
12 parties' desire that Mr. Ventura clarify his position on the issue
13 set forth below;

14 2. No later than June 20, 2008, both 3D and PEF will submit
15 simultaneous letter briefs, not in excess of five pages, to
16 Mr. Ventura setting forth their respective views on whether, under
17 applicable law, Mr. Ventura has or does not have jurisdiction over
18 remedies in the event he determines that there has been a breach
19 of the Settlement Agreement and Mutual Release dated May 25, 2007;

20 3. Following the submission of those letter briefs, the
21 parties and the court will await Mr. Ventura's response.

22 The court requests that Mr. Ventura accept this schedule and
23 act accordingly.

24 **END OF MEMORANDUM**
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